

ASSEMBLY BILL

No. 53

**Introduced by Assembly Member Robert Pacheco
(Coauthor: Assembly Member Zettel)**

December 7, 1998

An act to amend Section 17054 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 53, as introduced, Robert Pacheco. Income taxes: exemption credit: child.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law, including a credit, in partial conformity to specified federal income tax laws, for personal exemption for dependents. Among other things, the custodial parent is allowed the personal exemption credit pursuant to specified criteria.

This bill would allow the parent who is not the custodial parent to claim the credit if that parent pays child support, as specified. This bill would also allow the custodial parent to claim the credit, as provided.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17054 of the Revenue and
2 Taxation Code is amended to read:

1 17054. In the case of individuals, the following credits
2 for personal exemption may be deducted from the tax
3 imposed under Section 17041 or 17048, less any increases
4 imposed under paragraph (1) of subdivision (d) or
5 paragraph (1) of subdivision (e), or both, of Section
6 17560.

7 (a) In the case of a single individual, a head of
8 household, or a married individual making a separate
9 return, a credit of fifty-one dollars (\$51) for taxable years
10 beginning on or after January 1, 1987, and before January
11 1, 1988, and fifty-two dollars (\$52) for taxable years
12 beginning on or after January 1, 1988.

13 (b) In the case of a surviving spouse (as defined in
14 Section 17046), or a husband and wife making a joint
15 return, a credit of one hundred two dollars (\$102) for
16 taxable years beginning on or after January 1, 1987, and
17 before January 1, 1988, and one hundred four dollars
18 (\$104) for taxable years beginning on or after January 1,
19 1988. If one spouse was a resident for the entire taxable
20 year and the other spouse was a nonresident for all or any
21 portion of the taxable year, the personal exemption shall
22 be divided equally.

23 (c) In addition to any other credit provided in this
24 section, in the case of an individual who is 65 years of age
25 or over by the end of the taxable year, a credit of fifty-one
26 dollars (\$51) for taxable years beginning on or after
27 January 1, 1987, and before January 1, 1988, and fifty-two
28 dollars (\$52) for taxable years beginning on or after
29 January 1, 1988.

30 (d) (1) A credit of fifty-one dollars (\$51) for taxable
31 years beginning on or after January 1, 1987, and before
32 January 1, 1988, fifty-two dollars (\$52) for taxable years
33 beginning on or after January 1, 1988, and before January
34 1, 1998, two hundred fifty-three dollars (\$253) for taxable
35 years beginning on or after January 1, 1998, and before
36 January 1, 1999, and two hundred twenty-seven dollars
37 (\$227) for taxable years beginning on or after January 1,
38 1999, for each dependent (as defined in Section 17056) for
39 whom an exemption is allowable under Section 151(c) of
40 the Internal Revenue Code, relating to additional



1 exemption for dependents. The credit allowed under this
2 subdivision for taxable years beginning on or after
3 January 1, 1999, shall not be adjusted pursuant to
4 subdivision (i) for any taxable year beginning before
5 January 1, 2000.

6 (2) The credit allowed under paragraph (1) shall not
7 be denied on the basis that the identification number of
8 the dependent, as defined in Section 17056, for whom an
9 exemption is allowable under Section 151(c) of the
10 Internal Revenue Code, relating to additional exemption
11 for dependents, is not included on the return claiming the
12 credit.

13 (3) (A) *Notwithstanding Section 152(e) of the*
14 *Internal Revenue Code, a parent who is not the custodial*
15 *parent of a child, as defined by Section 151(c)(3) of the*
16 *Internal Revenue Code, shall be allowed the credit*
17 *allowed by paragraph (1) for that child if that parent pays*
18 *all child support ordered by a court, but only if that child*
19 *support is paid by December 31 of the year for which the*
20 *child support is owed.*

21 (B) *In addition to the credit allowed by subparagraph*
22 *(A), the credit allowed by paragraph (1) for a child shall*
23 *be allowed to a custodial parent if the child resides with*
24 *the custodial parent for at least 50 percent or more of the*
25 *taxable year.*

26 (C) *The credits allowed under this paragraph shall be*
27 *considered by courts in determining appropriate*
28 *amounts of child support based on existing guidelines.*

29 (e) A credit for personal exemption of fifty-one dollars
30 (\$51) for taxable years beginning on or after January 1,
31 1987, and before January 1, 1988, and fifty-two dollars
32 (\$52) for taxable years beginning on or after January 1,
33 1988, for the taxpayer if he or she is blind at the end of his
34 or her taxable year.

35 (f) A credit for personal exemption of fifty-one dollars
36 (\$51) for taxable years beginning on or after January 1,
37 1987, and before January 1, 1988, and fifty-two dollars
38 (\$52) for taxable years beginning on or after January 1,
39 1988, for the spouse of the taxpayer if a separate return is
40 made by the taxpayer, and if the spouse is blind and, for

1 the calendar year in which the taxable year of the
2 taxpayer begins, has no gross income and is not the
3 dependent of another taxpayer.

4 (g) For the purposes of this section, an individual is
5 blind only if either: his or her central visual acuity does
6 not exceed 20/200 in the better eye with correcting
7 lenses, or his or her visual acuity is greater than 20/200 but
8 is accompanied by a limitation in the fields of vision such
9 that the widest diameter of the visual field subtends an
10 angle no greater than 20 degrees.

11 (h) In the case of an individual with respect to whom
12 a credit under this section is allowable to another
13 taxpayer for a taxable year beginning in the calendar year
14 in which the individual's taxable year begins, the credit
15 amount applicable to that individual for that individual's
16 taxable year shall be zero.

17 (i) For each taxable year beginning on or after January
18 1, 1989, the Franchise Tax Board shall compute the credits
19 prescribed in this section. That computation shall be
20 made as follows:

21 (1) The California Department of Industrial Relations
22 shall transmit annually to the Franchise Tax Board the
23 percentage change in the California Consumer Price
24 Index as modified for rental equivalent homeownership
25 for all items from June of the prior calendar year to June
26 of the current calendar year, no later than August 1 of the
27 current calendar year.

28 (2) The Franchise Tax Board shall add 100 percent to
29 the percentage change figure which is furnished to them
30 pursuant to paragraph (1), and divide the result by 100.

31 (3) The Franchise Tax Board shall multiply the
32 immediately preceding taxable year credits by the
33 inflation adjustment factor determined in paragraph (2),
34 and round off the resulting products to the nearest one
35 dollar (\$1).

36 (4) In computing the credits pursuant to this
37 subdivision, the credit provided in subdivision (b) shall
38 be twice the credit provided in subdivision (a).

39 (j) The amendments made to this section by the act
40 adding this subdivision shall be applied only in the

1 computation of taxes for taxable years beginning on or
2 after January 1, 1990.
3 SEC. 2. This act provides for a tax levy within the
4 meaning of Article IV of the Constitution and shall go into
5 immediate effect.
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